

House Engrossed Senate Bill

FILED

**KEN BENNETT
SECRETARY OF STATE**

State of Arizona
Senate
Fiftieth Legislature
First Regular Session
2011

CHAPTER 247

SENATE BILL 1195

AN ACT

AMENDING SECTION 20-1095.02, ARIZONA REVISED STATUTES; RELATING TO SERVICE COMPANIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 20-1095.02, Arizona Revised Statutes, is amended to
3 read:

4 20-1095.02. Exemptions: definition

5 A. This article, except for section 20-1095.09, does not apply to the
6 following:

7 1. Warranties issued by manufacturers, builders or sellers on the
8 actual items, structures or improvements that they manufacture, build or
9 sell.

10 2. Service contract programs if a motor vehicle manufacturer has
11 financial responsibility for performance.

12 3. Warranties and service contracts issued by a corporation other than
13 a manufacturer or seller in connection with consumer products that are
14 distributed by the corporation if the issuing corporation:

15 (a) Is an affiliate of a consumer products manufacturer.

16 (b) By March 1 of each year submits to the director an independently
17 audited financial statement in which at least one officer of the issuing
18 corporation attests and a certified public accountant certifies that the
19 issuing corporation has and maintains a net worth in excess of one hundred
20 million dollars. Any information, documents and copies that are obtained by
21 or disclosed to the director or any other person pursuant to this subdivision
22 are not available for public inspection, except that the director may use
23 this information in any proceeding relating to this article.

24 4. A service company that issues a service contract to persons other
25 than a consumer.

26 5. A service company that is in the business of selling or servicing
27 any one of the following, IF THE SERVICE CONTRACT ONLY COVERS THE ACTUAL ITEM
28 THE SERVICE COMPANY SELLS:

29 (a) Appliances or electronic equipment, or both.

30 (b) Residential heating, cooling or air conditioning systems.

31 (c) Mechanical equipment, other than motor vehicles or their
32 components, ~~where the service contract only covers the actual item the~~
33 ~~service company sells.~~

34 6. A SERVICE COMPANY ONLY TO THE EXTENT THAT IT IS IN THE BUSINESS OF
35 SELLING OR SERVICING DIRECTLY, OR THROUGH OTHER RETAILERS, CELL PHONES AND
36 OTHER ELECTRONIC PERSONAL COMMUNICATIONS DEVICES AND ACCESSORIES.

37 ~~6.~~ 7. Any person licensed pursuant to title 32, chapter 10, or not
38 required to be licensed because exempt pursuant to section 32-1121,
39 subsection A, paragraph 13 whose service contract only covers the actual
40 items, structures or improvements that the person installs, constructs or
41 builds.

42 ~~7.~~ 8. A maintenance agreement of limited duration that provides for
43 scheduled maintenance only and does not include repair or replacement.

1 B. The director may employ independent examiners pursuant to section
2 20-156 to review and analyze the financial statements that are submitted
3 pursuant to subsection A, paragraph 3 of this section.

4 C. A motor vehicle dealer who is licensed under title 28, chapter 10,
5 who sells a service contract program approved by the director pursuant to
6 section 20-1095.06 and who notifies the director pursuant to section
7 20-1095.07 shall be exempt from the remainder of the requirements of this
8 article.

9 D. For the purposes of this section, "affiliate" means a corporation
10 that is owned or controlled by or is under common control with a
11 manufacturer.

APPROVED BY THE GOVERNOR APRIL 26, 2011.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 26, 2011.

Passed the House April 14, 2011,

by the following vote: 53 Ayes,

1 Nays, 6 Not Voting

[Signature]
Speaker of the House

Cheryl Laube
Chief Clerk of the House

Passed the Senate February 22, 2011,

by the following vote: 29 Ayes,

1 Nays, 0 Not Voting

[Signature]
President of the Senate

Charmine Bellisario
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

 day of , 20 ,

at o'clock M.

Secretary to the Governor

Approved this day of

 , 20 ,

at o'clock M.

Governor of Arizona

S.B. 1195

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this day of , 20 ,

at o'clock M.

Secretary of State

SENATE CONCURS IN HOUSE
AMENDMENTS AND FINAL PASSAGE

Passed the Senate April 18, 20 11

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

[Signature]
President of the Senate

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

18 day of April, 20 11

at 2:45 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this 26th day of

April

at 10:52 o'clock A. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 26th day of April, 20 11

S.B. 1195

at 2:55 o'clock P. M.

[Signature]
Secretary of State